

Message Text

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15

ORIGIN EB-07

INFO OCT-01 CCO-00 SS-15 SSO-00 ISO-00 NSC-05 NSCE-00

FMC-01 AID-05 NEA-09 TRSE-00 L-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 CG-00 OFA-01 DLOS-03

SP-02 INRE-00 IGA-01 /059 R

DRAFTED BY EB/T/A: VSMITH:BST

APPROVED BY EB/TT/MA:JPSTEINMETZ

FMC:WJSWTH (SUBS)

AID:COM/TR:MR.DIAZ (INFO)

NEA/EGY:GBROWN

EB:TENDERS

S/SO:PKJOHNSON

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O 150543Z MAR 75 ZFF4

FM SECSTATE WASHDC

TO USDEL ASWAN IMMEDIATE

AMCONSUL JERUSALEM

AMEMBASSY CAIRO

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TOSEC 569, CAIRO PASS ALEXANDRIA

E.O. 11652: N/A

TAGS:EWWT, ECON

SUBJECT: CONGESTION SURCHARGE AT ALEXANDRIA

REF: ASWAN 0172

SECRETARY'S PARTY FOR ATHERTON FROM ENDERS

1. SUMMARY: FMC BELIEVES 50 PERCENT SURCHARGE TO GO INTO

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EFFECT MARCH 19 IS JUSTIFIED. SURCHARGE BASED ON COSTS

TO LINERS SERVING ALEXANDRIA. SURCHARGE LIKELY BE
REDUCED AS ALEXANDRIA PORT CONDITIONS IMPROVE. END
SUMMARY.

2. GULF/MEDITERRANEAN CONFERENCE HAS FILED 50 PERCENT
SURCHARGE TO GO INTO EFFECT MARCH 19. U.S. FEDERAL MARITIME
COMMISSION (FMC) BELIEVES INFORMATION FROM CONFERENCE
MEMBER LINES AND CONGEN ALEXANDRIA CABLES JUSTIFIES THIS
LEVEL OF SURCHARGE.

3. APPROXIMATELY FIVE CONFERENCE MEMBER LINES ACTIVE IN
US/ALEXANDRIA TRADE. ONLY US LINE IS LYKES, WHICH
CARRIES ABOUT ONE-THIRD OF US/ALEXANDRIA LINER TRAFFIC.

4. CONFERENCE HAS SET 50 PERCENT SURCHARGE BASED ON PORT
CONDITIONS, IN PARTICULAR, WAITING TIME OF UP TO 21 DAYS,
SURCHARGE IS BASED ON COST TO LINES OF DELAY TO SHIPS
WHOSE OPERATING COSTS, EVEN AT ANCHOR, CAN EASILY BE
SEVEN TO EIGHT THOUSAND DOLLARS A DAY.

5. LYKES, WHICH CARRIES 90 PERCENT OF PL-480 TITLE II
CARGO, REPORTS THAT SURCHARGE NOT, RPT NOT, BEING APPLIED
TO PL-480 SHIPMENTS. HOWEVER, SURCHARGE WILL BE
APPLIED TO OTHER US-FINANCED SHIPMENTS.

6. LYKES WASHINGTON OFFICIAL UNOFFICIALLY INFORMS DEPART-
MENT THAT IF PORT CAN OFFER LYKES AND OTHER LINES
PREFERENTIAL BERTHING, CONFERENCE WOULD PROBABLY REDUCE
SURCHARGE AS WAITING TIME REDUCED.

7. ACTION REQUESTED. EMBASSY CAIRO AND CONGEN
ALEXANDRIA PLEASE REPORT PRESENT ALEXANDRIA PORT
CONDITIONS APPLICABLE TO LINERS (AS OPPOSED TO CHARTER
VESSELS). IF SUCH INFORMATION DOES NOT SUPPORT 50 PERCENT
SURCHARGE, FMC CAN SO INFORM CONFERENCE. WHILE CONFERENCE
NOT REQUIRED TO REDUCE SURCHARGE WITHOUT FMC INSTIGATING
A FORMAL, LEGAL PROCEEDING, CONFERENCES IN PAST HAVE
USUALLY AGREED TO REDUCE SURCHARGES WHEN FMC HAS
DETERMINED THAT SURCHARGES NO LONGER JUSTIFIED. INGERSOLL
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To: ASWAN CAIRO
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